

Message Text

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PAGE 01 THESSA 00532 031849Z

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FM AMCONSUL THESSALONIKI

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TAGS: ECON, EGEN, GR, EALR

SUBJECT: COMMERCE MINISTER ENUNCIATES GOG ECONOMIC PROGRAM

REF: THESSALONIKI'S 0531

1. BEGIN SUMMARY. SPEAKING BEFORE PM KARAMANLIS, LARGE SECTION OF GREEK CABINET (DEPUTY PM AND MINS OF COORDINATION, PUBLIC ORDER, INDUSTRY AND SOCIAL SERVICES), AND OVERFLOW CROWD AT THESSALONIKI'S PALAIS DES SPORTS NIGHT OF AUG 31, MIN OF COMMERCE ATHANASIOS KANELLOPOULOS DELIVERED PRINCIPAL ADDRESS AT FORMAL INAUGURATION OF INTERNATIONAL FAIR. SPEECH SET FORTH ECONOMIC PROGRAM OF KARAMANLIS REGIME, PARALLELING PM'S ROUSING POLITICAL SPEECH TO NATION EARLIER THAT EVENING (REFTEL. NOTAL). END SUMMARY.

2. INTRODUCING HIS REMARKS WITH OBSERVATION THAT PM'S PRESENCE DURING PERIOD OF NATIONAL CRISIS ATTESTED TO FAIR'S FINANCIAL AND COM-
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PAGE 02 THESSA 00532 031849Z

MERCIAL SIGNIFICANCE, AS WELL AS TO GREECE' S "PEACEFUL DISPOSITION" AND ITS CONVICTION THAT "PEOPLE' S PROSPERITY DOES NOT ADVANCE BY OCCUPYING FOREIGN TERRITORIES", KANELLOPOULOS PROCEEDED TO DESCRIBE GOG' S ECONOMIC VIEWS AND PLANS UNDER FOLLOWING HEADINGS.

3. THE PAST: THOSE WHO IMPROVISED UNDER "ADMINISTRATION OF POWER" CANNOT BE GIVEN CREDIT FOR ANY PROGRESS MADE, SINCE THIS RESULTED FROM "DYNAMISM OF ECONOMY FROM PAST" AND CREATIVE ABILITY OF PRIVATE INITIATIVE. SEVEN-YEAR ECONOMIC POLICY UNBALANCED AND SHORT-SIGHTED, WITH NO PRIORITIES OR EVALUATION OF INVESTMENTS, AND RESULTANT WASTAGE OF FUNDS. TAKING MEASURES BY CHANCE, REGIME "REINFORCED LIQUIDITY WITH OVERHEATING MEASURES DURING PERIOD OF INFLATION, AND STRANGLED ECONOMY AT TIME OF MONETARY INSUFFICIENCY".

4. GENERAL OUTLOOK: DESPITE "BURDENSOME HERITAGE" OF PREVIOUS SEVEN YEARS, KARAMANLIS RETURN RESTORED CLIMATE OF CONFIDENCE OF OTHER COUNTRIES, INTERNATIONAL ORGANIZATIONS AND GREEKS. THIS AND SUPPORT OF EUROPEAN COMMUNITY OFFER "CERTAINTY OF SUFFICIENCY IN OUR FOREIGN DEALINGS".

5. ECONOMIC POLICY: NATURE OF PRESENT GOVT PRECLUDES FORMULATION OF ANY LONG TERM PROGRAMS AND PERMITS ANNOUNCEMENT ONLY OF "SPECIAL MATTERS OF COMMERCIAL POLICY". GOVTS PRESENT POLICY CONCERNS ARE (1) DEMOCRATIZATION OF ECONOMY IN BOTH DOMESTIC AND FOREIGN ASPECTS (2) RELATIONSHIPS OF ECONOMIC INSTITUTIONS AMONG THEMSELVES (3) RELATIONSHIPS OF STATE TO INDIVIDUALS. DEMOCRATIZATION WILL INVOLVE "RATIONALIZATION OF ECONOMIC OPERATION, ELIMINATION OF CONTRADICTIONS AND COUNTER-INCENTIVES, STABILIZATION OF COMPETITIVE CONDITIONS, AND STRENGTHENING OF SOUND ENTERPRISING ACTIVITY". INTEGRITY OF STATE WITH RESPECT TO CITIZEN MUST BE REESTABLISHED, REASON MUST REPLACE PRESSURE AND LAW REPLACE ARBITRARY MEASURES FOR COMMERCE TO THRIVE. INTRICATE PROCEDURES AND BUREAUCRATIC CONTROLS BEING SIMPLIFIED TOWARD THIS END, AND CITIZENS WILL BE PAID IMMEDIATELY AMOUNTS DUE ON INCENTIVES (APPLAUSE).

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PAGE 03 THESSA 00532 031849Z

6. FREEDOM OF TRADE: IN BOTH IMPORTS AND EXPORTS, FREEDOM TO BE "COMPLETE" AND ALL RESTRICTIONS ON EXPORTS OF DOMESTIC PRODUCTS STILL IN FORCE TO BE LIFTED. EFFORTS TO BE MADE TO ASSURE "MORE NORMAL POLICY" IN REGARD TO IMPORTS BY TAKING "NECESSARY ORGANIC MEASURES" TO ASSURE ECONOMY SUPPLIED WITH NECESSARY MEANS, WHILE SIMULTANEOUSLY ASSURING, IN COMFORMITY WITH INTERNATIONAL CONTRACTUAL OBLIGATIONS, PROTECTION OF

DOMESTIC PRODUCTION. SUBSTITUTION OF IMPORTS WITH DOMESTIC PRODUCTION TO BE GIVEN SPECIAL ATTENTION.

7. EXPORT PROMOTION: ECONOMIC AID WILL BE GRANTED BUSINESSES SEEKING TO DEVELOP AND DIVERSIFY EXPORTS, AND GOVT STUDYING MEANS TO UP-DATE PROCEDURES AND INCENTIVES TO GAIN AND EXPLOIT NEW MARKETS. IN DEMOCRATIZATION PROCESS UNITS SUFFICIENTLY STRONG TO WITHSTAND DOMESTIC AND FOREIGN COMPETITION, WHILE AT SAME TIME ASSURING CONTINUANCE OF DOMESTIC SUPPLY, MUST BE ESTABLISHED. TO THIS END GOG WILL PARTIALLY SUBSIDIZE SUCH ENTERPRISES, AND ENCOURAGE CREATION OF BIGGER, SOUNDER, MORE AGGRESSIVE UNITS. LIGHT AND MEDIUM INDUSTRIES ESPECIALLY WILL BE URGED TO FORM COOPERATING ORGANIZATIONS FOR EXPORT TRADE PURPOSES. EXPORT PROMOTION ORGANIZATION WILL BE REVITALIZED TO PROVIDE MARKETING SERVICES AND INFORMATION TO SUCH ENTERPRISES, AND TO PROMOTE SALES OF GREEK PRODUCTS ABROAD.

8. BILATERAL TRADE: "MORE FLEXIBLE, SPEEDY AND RATIONAL PROCEDURES" TO BE APPLIED TO COUNTRIES ENGAGED IN BILATERAL TRANSACTIONS, TO ENCOURAGE EXPANSION AND TO MESH WITH THEIR "ECONOMIC STRUCTURES". BASIC, LONG-TERM REQUIREMENT FOR EXPORTS IS TO INCREASE PRODUCTION OF COMPETITIVE PRODUCTS AND SATISFY INTERNATIONAL PREFERENCES. MORE INNOVATIONS NEEDED, SUCH AS INCREASED UTILIZATION OF SEA TRANSPORTATION FOR EXPORT TRADE.

9. DOMESTIC TRADE: COMMERCE TO BE RID OF MULTIPLE, ARBITRARY STATE INTERVENTIONS, WHICH ARE "SERIOUS OBSTACLES, IMPEDING COMPETITIVE CONDITIONS, AND LEADING ONLY TO VICIOUS CYCLE OF NEW MEASURES

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PAGE 04 THESSA 00532 031849Z

AND POLICING". PRICE CONTROL SYSTEM AND ALLOWED CREDIT LIMITS TO BE "GRADUALLY" GIVEN UP IN FAVOR OF STATE INTERVENTION "THROUGH MARKET MACHINE AS PRINCIPLE". STATE NOW CONSIDERING NEW REGULATIONS AND ORGANS TO CONTROL EXISTING MONOPOLY AND OLIGOPOLY SITUATIONS WHICH WEAKEN COMPETITIVE OPERATIONS AND LEAD TO CREATION OF EXCESSIVE PROFITS. EXCESSIVE PENALTIES FOR MARKET VIOLATIONS ALSO BEING EXAMINED CRITICALLY WITH REGARD TO ABOLITION OF MARKET POLICING (APPLAUSE).

10. EUROPE AND COMMON MARKET: "INTERNATIONAL ISOLATION OF COUNTRY, WHICH HAS BEEN MATERIALLY AND MORALLY COSTLY, IS OVER". GREATER ECONOMIC DEVELOPMENT AND ORGANIC CONDITIONS OF ECONOMIC AND SOCIAL SECURITY WILL BE SOUGHT IN EUROPE. PROCEDURES ALREADY IN MOTION FOR GREECE'S CLOSER CONNECTION

WITH COMMON MARKET, FOR HARMONIZATION OF POLICY MATTERS ON AGRICULTURAL PRODUCTS, ELIMINATION OF "CERTAIN BURDENSOME SITUATIONS", AND RESTORATION OF PRIVILEGES WEAKENED BY CONCESSIONS TO OTHER COUNTRIES. THIS IS CONCURRENT WITH "MORE GENERAL POLICY OF GOVERNMENT" FOR INDUCTION AS EQUAL MEMBER AND CLAIM FOR RESUMPTION OF FINANCING."

11. OTHER COUNTRIES: WHILE BELONGING TO EUROPE, GREECE WISHES DEVELOP ECONOMIC AND TRADE RELATIONS WITH ALL COUNTRIES AND BECOME "CONNECTING LINK" BETWEEN EAST, WEST AND THIRD WORLD. "UNEXPECTED NATIONAL TRIAL OF CYPRUS" WILL BE QUICKLY OVERCOME, GREECE WILL ESTABLISH DEMOCRACY "IRREVOCABLY AND PROCEED HAND IN HAND WITH EUROPE" AND IN CLOSE COOPERATION WITH ALL COUNTRIES.
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